

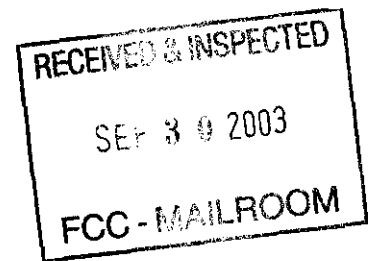
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State of Vermont
Public Service Board

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September 24, 2003

Ms. Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445-12th Street, SW
Washington, DC 20554

Irene Flannery, Vice President
Universal Service Administrative Company
2120 L Street, NW, Suite 600
Washington, DC 20037

Re: CC Docket 96-45 - Annual Certification for Federal Support

Dear Secretary Dortch and Administrator Flannery:

In accordance with 47 CFR §§ 54.313 and 54.314, I hereby certify that all federal high-cost funds flowing to the following eleven companies operating in Vermont will be used in 2004 in a manner consistent with 47 U.S.C. § 254(e) for the provision, maintenance, and upgrading of facilities and services for which support is intended.

1. Verizon New England Inc. (formerly New England Telephone and Telegraph Company) d/b/a Verizon Vermont ("Verizon")
2. Franklin Telephone Company
3. Ludlow Telephone Company
4. Northfield Telephone Company
5. Perkinsville Telephone Company
6. Shoreham Telephone Company, Inc.
7. STE/NE Acquisition Corp., d/b/a Northland Telephone Company of Vermont, d/b/a Fairmont New England
8. Topsham Telephone Company, Inc.

[Handwritten signature]

List 9-25-03

9. Waitsfield-Fayston Telephone Co., Inc., d/b/a Waitsfield Telecom, d/b/a Champlain Valley Telecom
10. Vermont Telephone Company, Inc., d/b/a Vtel
11. RCC Atlantic, Inc., d/b/a UniceL ("RCC")

Verizon is the only non-rural incumbent eligible telecommunications carrier in Vermont. Federal support to Verizon will be used in two ways:


1. An amount equal to support received in 1999 has been incorporated into the calculation of the company's overall rates. This base amount will continue to support lower tariffed rates in the coming year.
2. The remainder of the support will be distributed through an explicit credit for residential and business customers, for services rendered on and after January 1, 2004. Pursuant to a 1999 agreement reached between Verizon and the Vermont Department of Public Service, each Verizon residential and business customer will receive a monthly credit on his or her bill titled "Federal Universal Service High Cost Fund Credit." The credit amounts will be set to fully distribute the expected additional federal support to be received by Verizon in the coming year. As the end of the year approaches, if the projected support amount does not equal the initial estimate, a final adjustment will be made to the credit amounts.

All federal support given to the remaining carriers (#2 through #11) will be available as revenue. We require all of these companies to file appropriate information pertaining to their usage of federal support in the past for facilities and services.

- As to wireline incumbent rural telephone companies (#2 through #10 above), the Board has authority to order increases or decreases in retail rates. Filing requirements for the wireline independents were established in PSB Docket No. 6530, and we are currently working to incorporate these filing requirements into a routine annual report that is required for other purposes.
- Under federal law, rates charged by RCC (#11 above) are not set by the Public Service Board. The filing requirements on RCC, if any, are still under consideration in PSB Docket No. 5918.

Vermont greatly appreciates the Commission's willingness to provide support to the intrastate jurisdiction so that Independent telephone customers in Vermont may have telephone rates that are more nearly comparable to those charged in urban areas of our nation.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael H. Dworkin", written in a cursive style.

Michael H. Dworkin
Chairman

cc: Lawrence Lackey (Vt. DPS)
Joanne Fenoff
Paul Phillips, Esq.
John Marshall, Esq.